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C O N F I D E N T I A L SECTION 01 OF 03 YEREVAN 001735

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C O R R E C T E D COPY - Comments section

FOR EUR/CARC, EUR/ACE, EUR/PPD, DRL

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SUBJECT: KOCHARIAN LAYS DOWN HIS MARKERS ON ELECTION PERIOD

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Classified By: POL/ECON chief Steve Banks, reason 1.4 (b,d)

- 11. (C) SUMMARY: President Kocharian delivered a nationally-televised interview December 15, laying out his expectations for the campaign season and May 2007 parliamentary elections. Kocharian called for elections to be free and fair, placing the onus on election commissions and political parties to do their part to make it so. He criticized "bankrupt" opposition parties' ineffectiveness, and vowed Armenia would have no "color revolution." He warned "sponsors of revolutions not to waste money for that purpose," saying that foreign-funded political groups were a danger to Armenia. Kocharian struck a careful balance on democracy implementers: he criticized them as foreign interference, but implied he would not act against them. Kocharian also suggested that Nagorno-Karabakh talks would be in "passive mode" until after the parliamentary elections, to avoid domestic politicization of the negotiations. END SUMMARY.
- 12. (C) CDA had a December 11 lunch meeting with presidential chief of staff Armen Gevorkian--primarily to talk about NDI's continuing travails--and Gevorkian told us to watch very closely what the president would say during his upcoming television interview on the subject of elections and democracy. This would be the definitive policy of the government. The December 15 interview was framed as a significant media event. Kocharian took questions from a panel of newsanchors from the three largest, nationwide television networks, all of which later ran the broadcast.

BLAMING THE VICTIM?

13. (C) Kocharian was first asked about the widespread public opinion and opposition allegations that the upcoming parliamentary elections would see major fraud. Kocharian said "it is in the interests of all of us to have free and fair elections." He said, though, that strenuous complaints about election fraud had become practically a "tradition" in Armenia. He noted that it is in the opposition's political interest to persuade the public that the government would attempt massive fraud. If the opposition then fails to win votes, they have already prepared the ground to claim the election was stolen. If they succeed in winning a lot of votes, they can then suggest they overcome great obstacles and triumphed anyway. Kocharian pointed out that the vote tabulating is done by election commissions at various levels,

all of which should by law have representation from each of the parties represented in parliament. With opposition parties represented in the election commissions, as well as providing party proxies to observe the counting, all parties should be able to help ensure that the votes are counted honestly. Answering the hypothesis that party proxies or election commission members may be bribed not to speak up, Kocharian asked rhetorically if a party whose members are so easily bought deserves to win a place in government.

THE GOOD...

14. (C) Kocharian singled out several parties as ones he could foresee working with constructively in the next parliament, stopping just short of recommending them, while dismissing the rest as incompetent at best, and possibly seditious at worst. He predicted "fruitful cooperation" the Republican Party, the ARF-Dashnaktsutyun party, the United Labor Party, and the new Prosperous Armenia party. (NOTE: All but newly-established Prosperous Armenia are currently part of the governing coalition. END NOTE). Kocharian extolled at length the virtues of the Republican Party, suggesting that the party gets bad press because its members and leaders were so focused on their task of governing the country that they had neglected public relations work to educate the electorate about what they had accomplished. Kocharian asked viewers to remember Armenia's economic straits of 2000, and reflect on all that had been accomplished economically since that time. He reminded viewers that in 2000 teachers' salaries were far lower, many roads were in disastrous shape, streetlights in Yerevan were dark, irrigation systems broken down, and the country overall in terrible shape, but great strides had been taken to improve these areas. The president also commented that Armenia needed "skilled, experienced, and mature political forces," likening these to a skillful driver. "Otherwise there will be accidents along the road."

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15. (C) Kocharian also went out of his way to say good things about Prosperous Armenia. He said that Prosperous Armenia had attracted great buzz and excitement among the population because the party successfully conveys the message "we think about our people. This is the basis of success of Prosperous Armenia." Kocharian dismissed the idea that Prosperous Armenia founder Gagik Tsarukyan's philanthropic works should be seen as buying votes. If that worked, he said, everyone would be doing it. People see Prosperous Armenia as sincere in its desire actually to help people.

THE BAD...

16. (C) Kocharian poured contempt on opposition parties for ineffectiveness and mercenary ways. Asked why multi-party opposition alliances tended to be so fragile in Armenia, Kocharian asserted it was because their party leaders cynically banded together out of pure mathematical calculation ("you are likely to get about 2% of votes, the other party with get 3%, the other 5%, the fourth one 6%, and all together we'll have enough votes"). He felt that these marriages of pure political expedience without any thought to shared political values or agenda inevitably led to fractiousness once the parliament was formed. He heaped scorn on several opposition parties' current attempt to band together in so-called "anti-criminal" blocs to coordinate against election fraud and possibly plan civil disobedience measures. Kocaharian branded these parties intellectually "bankrupt," bereft of real ideas or public support, who have neglected the "hard daily work with grassroots, ideological work, organizational work and efforts to strengthen their parties." These poorly-built parties naturally fell into infighting and finger-pointing, against the government and

amongst themselves, because they had nothing really to offer. He offered the example of the People's Party, which brought credible persons into parliament, who then failed to work together because they had contradictory goals. "It is impossible for the people of the same alliance to be for NATO and for Russia-Belarus alliance, to be an extreme liberal and an extreme socialist, if they cannot work together," he said.

...AND THE UGLY

- 17. (C) NDI AND OTHER BUGBEARS: The president spent some time decrying, albeit obliquely, "foreign influence" on Armenian politics. Kocharian said "when we are looking at what kind of conferences, training, and seminars are organized in Armenia, what topics are discussed, where their funding comes from, it becomes clear from where and what types of influences are attempted from outside sources in the political arena of Armenia." He said this "raises a problem for the national security of Armenia, and we cannot impose restrictions to confront it." He commented that "our people have to realize that the political forces that will come to power with outside funding or support are dangerous for our country. Armenian authorities must be pro-Armenian, act for the benefit of the Armenian people, and be committed to our national interests."
- 18. (C) 'COLOR REVOLUTIONS' ARE SO LAST YEAR: Kocharian interjected that "color revolutions are not expected in Armenia. The wave of color revolutions went through some CIS countries leaving mostly no good memories. I'd advise sponsors of the revolutions not to waste money for that purpose, but build something good in Armenia instead."

NO "ACTIVE NEGOTIATIONS" ON NK BEFORE THE ELECTIONS

19. (C) Kocharian said that NK negotiations would not be "active" between now and the parliamentary elections. He said that political forces would only seek to use the negotiations politically against the government, and this could discredit "even the best solution" for NK in the Armenian public's mind, before it had a chance to come to fruition. He would deny political forces the "immoral" abuse of Karabakh as a campaign issue by suspending active discussions on the topic until after the election. He was vague in answering a follow-up question of whether this implied the negotiations were effectively frozen until after the presidential election, which is to follow early in 2008, but seemed to deny the premise.

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GOIN' FISHIN', MR. KOCHARIAN?

¶10. (C) Asked about his own plans after stepping down from the presidency in 2008, Kocharian refused to be drawn. He said "One thing I can tell you for sure, that's what I won't be doing. I won't be the youngest pensioner in Armenia. Life will just begin, it is just beginning."

COMMENT

111. (C) There is merit in Kocharian's implied Reaganesque question to voters "are you better off today then you were six years ago?" After six years of double-digit economic growth and stabilization, most voters would have to acknowledge that they are indeed notably better off, even if they dislike the government for other reasons. The

president's points about foreign interference seem aimed most squarely at NDI, though there may be others in Kocharian's sights. Aside from donor-funded democracy implementers, these comments could also be intended for certain Armenia Diaspora groups who seek to wield political influence here. The government recently arrested a Lebanese-Armenian on charges of plotting to overthrow the government. Meanwhile, the ARF-Dashnaksutyun party--currently in government, but a maverick political player--has a very large international support structure. Separately, some have even suggested that FM Oskanian might be the preferred presidential candidate of some influential Diaspora groups; it's conceivable, if more speculative, that Kocharian's remarks contained a subtle jab at Diasporans who might be minded to back Oskanian in 2008 against an anointed heir. Regardless, we were struck by Kocharian's words that Armenia "cannot impose restrictions" against these foreign influences. We take this as Kocharian's commitment not to act against NDI or other internationally-funded democracy implementers, other than to let the public know of his personal dislike for them, which alone can have a chilling effect. END COMMENT

GODFREY